



# REFI NOW, HOMEREDY vs REFI POSSIBLE. HOME POSSIBLE, LOW INCOME REFI COMPARISON GUIDE

	Fannie Mae		Freddie Mac	
	Refi Now	HomeReady	Refi Possible	Home Possible
Existing Loan Eligibility	<ul style="list-style-type: none"> <li>Must be owned by Fannie Mae</li> <li>Loan must be seasoned at least 12 months</li> </ul>	<ul style="list-style-type: none"> <li>Must be owned by Fannie Mae only if LTV is 95-97%</li> <li>Does not limit loan seasoning</li> </ul>	<ul style="list-style-type: none"> <li>Loan being refinanced is seasoned at or under 10 years (Note Date to Note Date)</li> <li>Minimum 12-month seasoning</li> </ul>	<ul style="list-style-type: none"> <li>Minimum 30-day seasoning requirement (Recently announced in Bulletin <a href="#">2021-16</a>)</li> </ul>
New Loan Eligibility	<p>New loan amount may include:</p> <ul style="list-style-type: none"> <li>Cash out limited to less than or equal to \$250</li> <li>Fixed-rate mortgage (FRM) only</li> <li>100% of AMI</li> </ul>	<ul style="list-style-type: none"> <li>No limit on the financing of closing costs/prepays</li> <li>Max 2% or \$2,000 cash back</li> <li>May pay off subordinate financing</li> <li>Permits FRMs under specific eligibility criteria</li> </ul>	<ul style="list-style-type: none"> <li>Cash out limited to \$250</li> <li>No existing secondary financing may be satisfied with proceeds</li> <li>80% of AMI</li> </ul>	<ul style="list-style-type: none"> <li>Cash out limited to greater of:               <ul style="list-style-type: none"> <li>1% of new mortgage or; \$2,000</li> </ul> </li> <li>Payoff of secondary financing allowable</li> </ul>
Collateral & Property Valuation	<ul style="list-style-type: none"> <li><b>Provide \$500 lender credit</b> if appraisal obtained</li> </ul>	<ul style="list-style-type: none"> <li>Does not provide an appraisal credit</li> </ul>	<ul style="list-style-type: none"> <li>Standard property valuation – Automated Collateral Evaluation (ACE) or appraisal required</li> <li><b>A \$500 credit will be provided</b> to the Seller when an appraisal is obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Standard property valuation – ACE or appraisal required</li> </ul>
DTI	<ul style="list-style-type: none"> <li><b>Max DTI 65%</b></li> </ul>	<ul style="list-style-type: none"> <li>Max DTI 50% for loans underwritten in DU or DTI 45% for manually underwritten loans</li> </ul>	<ul style="list-style-type: none"> <li><b>65% for LPA</b> and manually underwritten mortgages</li> </ul>	<ul style="list-style-type: none"> <li>Determined by LPA for LPA mortgages</li> <li>45% for manually UW mortgages</li> <li>43% for occupying co-borrower when a non-occupying borrower is on the mortgage</li> </ul>
Pricing	<ul style="list-style-type: none"> <li>Standard LLPAs (no caps applied)</li> <li>AMRF of 50 bps waived for UPB ≤ \$300,000</li> </ul>	<ul style="list-style-type: none"> <li>Waives LLPAs for LTV &gt; 80% and credit scores ≥ 680 and caps LLPAs for other loans at 1.5%</li> <li>AMRF waived for all HomeReady loans</li> </ul>	<ul style="list-style-type: none"> <li>Standard Credit Fees in Price</li> </ul>	<ul style="list-style-type: none"> <li>Credit Fees in Price capped at 150 bps as described in Exhibit 19</li> <li>Indicator score ≥680 and LTV &gt;80% - no Credit Fee in Price</li> </ul>
Mortgage Insurance (MI)	<ul style="list-style-type: none"> <li>Standard MI requirements and coverage levels</li> </ul>	<ul style="list-style-type: none"> <li>Reduced MI coverage for loans with LTV 90.01-97%</li> </ul>	<ul style="list-style-type: none"> <li>Standard mortgage insurance coverage is required.</li> </ul>	<ul style="list-style-type: none"> <li>Standard mortgage insurance coverage is required for LTV &lt; 90% and lower; MI coverage of 25% is required for LTV &gt;90-97%</li> </ul>